

In the United States District Court  
for the Central District of California

Filed On Demand

Denise Elizabeth

Counter Complaint

Libel of Review

CV12-7719-CAS (VBKx)

- common law counterclaim in admiralty -

- notice lis pendens and -

- verified statement of right -

Timothy Franz GEITHNER and  
and Selvi STANISLAUS

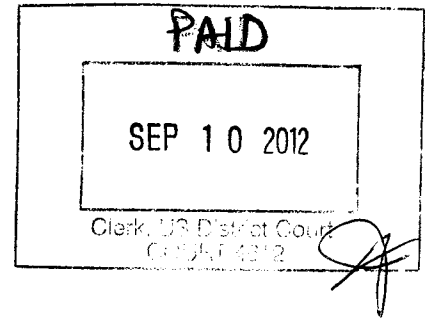
Re: God-given unalienable rights in the  
original estate - Article III; Constitution

Comes now Denise Elizabeth of the LAM family making a special visitation by absolute ministerial right to the district court, "restricted appearance" under Rule E(8). Timothy Franz GEITHNER and Selvi STANISLAUS have been making false claims and this counterclaim and notice lis pendens are now in the "exclusive original cognizance" of the United States through the district court - see the First Judiciary Act of September 24, 1789, Chapter 20, page 77.

**Jurisdiction:** In international law and according to the law of the land, agents of a foreign principal are required to file any pretended claim in the appropriate district court prior to exercising rights to that claim. The district courts have "exclusive original cognizance" of all inland seizures and this includes vessels in rem (Rule C(3)) such as trust organizations and legal names (Denise S. LAM, DENISE ELIZABETH STRAUSS-LAM, Timothy Franz GEITHNER, Selvi STANISLAUS, Henry Paulson, John Snow etc.)

"...the United States, ... within their respective districts, as well as upon the high seas; (a) saving to suitors, in all cases, the right of a common law remedy, where the common law is competent to give it; and shall also have exclusive original cognizance of all seizures on land,..." *The First Judiciary Act*; September 24, 1789; Chapter 20, page 77. *The Constitution of the United States of America*, Revised and Annotated - Analysis and Interpretation - 1982; Article III, §2, Cl. 1 *Diversity of Citizenship*, U.S. Government Printing Office document 99-16, p. 741.

This fact of protocol - filing a claim in district court according to international law - is beyond dispute and extends into antiquity: "Meanwhile those who seized wreck ashore without a grant from the Crown did so at their peril." *Select Pleas in the Court of Admiralty*, Volume II, A.D. 1547-1602; Introduction - Prohibitions, *Note as to the early Law of Wreck*, Selden Society, p. xl, 1897. Even the IRS recognizes



the protocol:

**"Place for filing notice; form.** Place for filing. The notice referred to in subsection (a) shall be filed -- with the clerk of the district court. In the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated..." Title 26 U.S.C. §6323.

Timothy Franz GEITHNER and Selvi STANISLAUS, acting as "City METRO officer – Commissioner for the Franchise Tax Board" city of Washington, *District* of Columbia is agent of a foreign principal, a "foreign state" defined at Title 28 of the United States Codes §1603, and Title 22 U.S.C. §611 the **Division of enforcement** for the **Department of revenue** (for example C.R.S. §24-1-117 [Colorado]) under principal State Governor in convention with METRO organization a.k.a. *Public Administrative Services Headquarters* (PASHQ - signed for example by Edwin C. Johnson by John T. Bartlett; *The Public Papers and Addresses of Franklin D. Roosevelt, The Year of Crisis 1933* Random House p. 21.) The *Department of Revenue* of course being the execution of bankruptcy proceedings against the citizens of the United States since 1933 currently formed "International Monetary Fund" and "World Bank" etc. - the State, City METRO municipal and police powers under United Nations charter law - protected by the same alleged positive law jural society (international treaty) exemptions home rule (of for example, Article VI and Article XX of the *State of Colorado* Constitution, **"Transfer of government."**)

The district court for the Central District of California has acquired exclusive original cognizance of this counterclaim for the United States because this is a federal question - a Constitutional matter involving a man on the land complaining about theft and kidnap - Title 18 U.S.C. §§ 661 and 1201 respectively and irregular extradition from the asylum state into the United States custody, treason - Constitution, Article III §3 and Title 18 U.S.C. §2381 by an agent of a foreign principal, creating diversity of citizenship - Title 28 U.S.C. §§1331 and 1333 respectively. The presentments (notification) are arbitrary and capricious clearly implying that if Denise Elizabeth fails to comply with the suggested terms there will be "law enforcement" actions by way of inland seizure. Speaking historically, the districts, formed in 1790 for handling the financial obligations of the United States could not come into existence until after formal expression of remedy in the 'saving to suitors' clause (1789) quoted above and codified at Title 28 U.S.C. §1333. The law is paraphrased in the Internal Revenue Codes:

"Form. The form and content of the notice referred to in subsection (a) shall be prescribed by the Secretary. Such notice **shall be valid notwithstanding any other provision of law** regarding the form or content of a notice of lien." Title 26 U.S.C. §6323(F)(3). *emphasis added*

The only excuse for the discretionary authority granted administrative agencies is the judicial oversight demonstrated in this invocation of an Article III court.

**Law of the flag:** Man is created in the image of God and to reduce a man to chattel against the national debt is an affront to God. Exodus 13:16 and Genesis 1:27.

#### **Cause of action**

Timothy Franz GEITHNER and Selvi STANISLAUS through agency are denying Denise Elizabeth's right to demand lawful money and interfering with Denise Elizabeth's redemption from the elastic currency system of the Federal Reserve. Denise Elizabeth's proper and honest filing for a state income tax refund was met with Selvi STANISLAUS coercing and threatening Denise by doubling the *taxable income* amount for the 2011 tax year and making demands for immediate payment of the doubled amount instead of honoring that Denise is owed a full refund of withholdings because she was demanding lawful money for the entire tax year. Recently GEITHNER has sent a letter threatening a \$5K frivolous filing penalty. Affidavit: By my signature below I express that I have studied the citations of GEITHNER's letter and do not understand how the IRS agent could conclude that redeeming lawful money pursuant to law is a *frivolous* method of filing a tax return. This presumption of a liability and vexatious doubling of that amount is erroneous and based upon endorsements of private credit from the Federal Reserve that have never been made in good faith. The subjection to Special Drawing Rights (Paper Gold) is one thing but presuming endorsement of fractional lending practiced outside the scope of lawful money is unlawful and such presumption is defeated by law herein, *nunc pro tunc*. See Title 12 U.S.C. §411; Denise Elizabeth is and always would have exercised right to handle lawful money had the option ever been presented in good faith. Any contract based in endorsement is naked and void any consideration; therefore it is invalid. The subject presentment utilized for the claim was regular enough but Denise Elizabeth wishes to invoke judicial review "any other provision of law" and nullify any justification for any further such theft action - manifest in actual or threatened kidnap. The presentment(s) upon which the theft is based has been refused for cause timely (considering preparation of proper remedy) and the red ink original refusals for cause have been returned to Timothy Franz GEITHNER and Selvi STANISLAUS in their respective copies of the counterclaim and summons. All other copies and the original counterclaim filed with the court have black ink (copy) refusals for cause on the presentment(s).

#### **Verified statement of right**

Denise Elizabeth owns all property and land free and clear registered under her name and any legal variation of it.

### Stipulation of acceptable answer

The issue is simple. Agents of a foreign principal are required to file their complaint in the appropriate district court prior to exercising any claim against a man on the land. This is international and common law. Timothy Franz GEITHNER and Selvi STANISLAUS must both directly address the validity of the (telephone) certificate of search that clearly shows there have been no claims filed against "Denise Elizabeth" or any pseudonym through which Denise Elizabeth may be engaged in contract. The court clerk James R. Manspeaker (District of Colorado now replaced by Gregory Langham) obfuscated remedy by denying proper certificates so Timothy Franz GEITHNER and Selvi STANISLAUS and anyone else for that matter can easily research case history against Denise Elizabeth or any legal name. Timothy Franz GEITHNER and/or Selvi STANISLAUS may call (213) 894 1976 to conduct searches and of course the Article III judge can research cases in chambers. It is however reasonable to say that if the Timothy Franz GEITHNER and Selvi STANISLAUS are moving on a valid claim and judgment in the district court then the Timothy Franz GEITHNER and Selvi STANISLAUS know what case that is.

The United States is not a party in interest to this action. Any registered attorney responding for Timothy Franz GEITHNER or Selvi STANISLAUS cannot be a citizen of the United States due to the *de jure* Thirteenth Amendment of the Constitution. A certified copy is attached and fully incorporated into this counterclaim. (The federal judge assigned this case is competent to adjudicate under Article III due to "inactive" status with the State Supreme Court attorney register.) Addressing the certificate of search is the only response that will be considered an answer to this counterclaim. Failure to answer will be met with default judgment for Denise Elizabeth according to the notice on the face of the summons.

### Stipulation of remedy

The recourse sought is immediate exclusive original cognizance of the United States through the district court. This case is repository for evidence for injunctive relief from any future presentments and theft or kidnap actions from *any* foreign agents or principals. Denise Elizabeth's husband may use this evidence repository for any future refusals for cause as well. Though the theft/kidnap could be justified by notice and sophistry under the color of law of municipal structure, the proceedings have obviously been under the pretended authority of unconscionable contract and the recourse requested is proper. There is no excuse for the arbitrary and capricious attorney actions - **debt action in assumpsit** - that have confronted good men and women since the Banker's Holiday. Roosevelt implemented a "voluntary compliance" national debt (upon the States by Governor's Convention) but utilized the 1917 *Trading with the Enemy Act* to compel citizens of the United States to comply. The substitution of *citizen of the*

*United States* for the German nationals on this land was against *Stoehr v. Wallace*, 255 U.S. 239 (1921) where the Court clearly expresses "The Trading with the Enemy Act, originally and as amended, is strictly a war measure..." - directly citing the Constitution Article I, §8, clause 11. The war on the Great Depression 1) does not count and 2) would only last the duration of the emergency if it did.

Presentments will be treated as described by the following example of clerk instruction:

**Denise Elizabeth  
622 S. Broadway #5  
Redondo Beach, California.  
[90277]**

United States District Court  
for the Central District of California  
312 North Spring Street  
Los Angeles, California.  
[90012-4701]

Registered mail # RA XXX XXX XXX US

Dear clerk;

Please file this refusal for cause in the case jacket of Article III case 03-XXXX. This is evidence if this presenter claims I have obligations to perform or makes false claims against me in the future. A copy of this instruction has been sent with the original refusal for cause back to the presenter in a timely fashion.

#### **Certificate of Mailing**

My signature below expresses that I have mailed a copy of the presentment, refused for cause with the original clerk instruction to the district court and the original presentment, refused for cause in red ink and a copy of this clerk instruction has been mailed registered mail as indicated back to the presenter within a few days of presentment.

example  
Denise Elizabeth

Presenter's name  
Address  
Anywhere, State.  
[presenter's code]

Registered mail # RA XXX XXX XXX US

Timothy Franz GEITHNER and Selvi STANISLAUS and all principals and agents are hereby properly notified. There is no governmental immunity to cover "law enforcement officers" who choose to interfere with our rights to the land and violators will be arrested by the U.S. Marshal according to Rule C of the *Supplemental Rules for Certain Admiralty and Maritime Claims*. Timothy Franz GEITHNER and Selvi STANISLAUS and all principals and agents are left with their remedy:



**COURTS OF THE UNITED STATES** ... 136. When a seizure has been voluntarily abandoned, it loses its validity, and no jurisdiction attaches to any court, unless there be a new seizure. 10 Wheat. 325; 1 Mason, 361. *First Judiciary Act*, September 24, 1789. *Bouvier's Law Dictionary* 1856.

Upon offense by hostile presentment after the inevitable default by Timothy Franz GEITHNER and Selvi STANISLAUS (including all agents, principals and any and all offensive presentments), after fair notice by refusal for cause like the above clerk instruction a certificate of exigent circumstances will be issued pursuant to Rule C(3)(a)(ii)(B) *Arrest Warrant* and the clerk will immediately issue an arrest warrant for Timothy Franz GEITHNER and Selvi STANISLAUS or named agent or principal to be taken into custody for the violations of law. Presentments of any kind from Timothy Franz GEITHNER and Selvi STANISLAUS or any agent acting for the bankruptcy of the United States through the District may be considered hostile threat of seizure.

#### **Stipulation regarding character and residential address**

The use of a residential address is by right. All 'privileges' associated with postal delivery are compensated, usually prepaid in honestly won U.S. currency. Denise Elizabeth is not Pro Se and is not representing herself. The clerk shall not change the name of this suit on the docket from the name on the filing fee receipt. Denise Elizabeth retains the unalienable right to hold the district court clerk to the obligations to perform of file clerk for the United States working in the United States Courthouse. This includes the expectation that if and when this cause reaches default judgment against the Timothy Franz GEITHNER and Selvi STANISLAUS, the default judgment will be filed in full cognizance of the United States and will appear on the docket as "Default judgment for the plaintiff." Denise Elizabeth is authorized by fidelity bond to file default judgment in lieu of district court action. Any such judgment will stand on the truth for validity. Any character assassination will activate Instrumentality Rule and pierce the corporate veil of the United States and all agencies. Usage of residential address is non-assumpsit and changes Denise Elizabeth's character not in the least:

The privilege against self-incrimination is neither accorded to the passive resistant, nor the person who is ignorant of his rights, nor to one indifferent thereto. It is a fighting clause. Its benefits can be retained only by sustained combat. **It cannot be claimed by attorney or solicitor.** It is valid only when insisted upon by a belligerent claimant in person. Quote from federal judge Lee in *United States v. Johnson et al.* No. 11400, Middle District of Pennsylvania, 76 R. Supp. 538; 1947 U.S. Dist. LEXIS 3057, February 26, 1947. *emphasis added*

The highlighted bold sentence in the above quote admonishes against any clerk action that falsely brands Denise Elizabeth Pro Se - to imply that Denise Elizabeth is representing himself before the district court. Denise Elizabeth is responsible asylum state visiting her judiciary under Rule E(8). If an Article I (active

attorney) "judge" is assigned this case or the Article III judge chooses to protect the fiduciary interests of the Bank and Fund, to act as an attorney under Article I, maintain silence. The cash filing fee is fully paid in public money and not in private credit (US notes in the form of Federal Reserve notes). The funds were redeemed lawful money according to the US Supreme Court's interpretation of the Congress' definition from **US v Rickman; 638 F.2d 182**

*In the exercise of that power Congress has declared that Federal Reserve Notes are legal tender and are redeemable in lawful money. And, **US v Ware; 608 F.2d 400***

*United States notes shall be lawful money, and a legal tender in payment of all debts, public and private, within the United States, except for duties on imports and interest on the public debt. Also, in **USA v. Thomas 319 F.3d 640***

*Paper currency, in the form of the Federal Reserve Note, is defined as an "obligation[ ] of the United States" that may be "redeemed in lawful money on demand." 12 U.S.C. § 411 (2002). These bills are not "money" per se...*

Any presumptions made about the funds for this filing fee are that Denise Elizabeth has already exercised entitlement to redeem any Federal Reserve Bank notes tendered as legal tender for all debts public and private. Furthermore any and all funds discussed have been in redemption of Federal Reserve Bank notes, not endorsement thereof:

"BANKRUPTCY. The state or condition of a bankrupt.

2. Bankrupt laws are an encroachment upon the common law. The first in England was ..."  
*Bouvier's Law Dictionary 1856.*

All testimony will be without immunity - **piercing the corporate veil and Instrumentality Rule.**  
Denise Elizabeth is a woman with God-given unalienable rights, one living and regenerate entity of sound mind and body. For some realistic perspective the Credit River Money Decision is attached and fully incorporated into this counterclaim. Timothy Franz GEITHNER and Selvi STANISLAUS are clearly the debtors and Denise Elizabeth is clearly creditor. Denise Elizabeth is framing the accusation of fraud by omission in that if Denise Elizabeth had known about redeeming lawful money in good faith Denise Elizabeth would have been doing so since Denise Elizabeth's first paycheck ever!

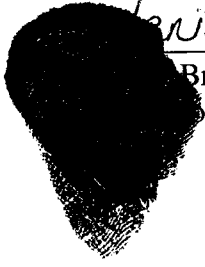
**No magistrates**



No one may handle this case but an Article III judge. The nature of this cause is injunctive relief, albeit preemptive. Title 28 U.S.C. §636(b)(1)(A) cannot ensue, "...except a motion for injunctive relief..."

attachments fully incorporated:

- 1) Certificate of search on "Denise Elizabeth" from clerk of the district court is exempted due to falsifications by district court clerk James R. Manspeaker on such certificates. Timothy Franz GEITHNER and Selvi STANISLAUS is provided with information to check for case histories
- 2) redacted 2011 tax return and responsive presentment from Selvi STANISLAUS on or around XX/XX/XX refused for cause. Letter from Timothy Franz GEITHER on or around 8/21/12 refused for cause. The red ink original refusals are in the counterclaims served upon Timothy Franz GEITHNER and Selvi STANISLAUS. The original counterclaim filed in the district court has a copy of both refusals
- 3) A certified copy of Title 12 U.S.C. §411 published at El Paso County Clerk and Recorder Reception #207015932
- 4) certified copy of the *de jure* Thirteenth Amendment to the Constitution published at El Paso County Clerk and Recorder Reception #95110459
- 5) certified copy of the Credit River Money Decision published at the El Paso County Clerk and Recorder Reception #203290555
- 6) if possible a copy of the Withdrawal Slip or Signature Card associated with the US court filing fee has been attached.

  
Denise Elizabeth  
Broadway #5  
Beach, California. [90277]

### **Addresses**

United States District Court  
for the Central District of California  
312 North Spring Street  
Los Angeles, California.  
[90012-4701] (213) 894-1976

Denise Elizabeth  
622 S. Broadway #5  
Redondo Beach, California.  
[90277] (310) 953-5114

Timothy Franz GEITHNER  
1500 Pennsylvania Ave. NW  
city of Washington, District of Columbia.  
[20220] (202) 622-2000

Selvi STANISLAUS  
Rancho Cordova Campus  
Rancho Cordova, California.  
[95741-2828] (916) 843-5440

For Privacy Notice, get form FTB 113.

FORM

California Resident

## Income Tax Return 2011

540 2EZ C1 Side 1

Your first name Denise		Initial Last name E. Lam		Your SSN or ITIN [REDACTED]	
If joint return, spouse's/RDP's first name		Initial Last name		Spouse's/RDP's SSN or ITIN	
Address (number and street, P.O. box, or R.F.D. no.) 622 South Broadway		Apt. no./Ste. no. 5		State ZIP Code ca 90277	
City Redondo Beach					
Date of Birth ● Taxpayer (mm/dd/yyyy) _____		● Spouse/RDP (mm/dd/yyyy) _____			
Prior Name ● Taxpayer _____		● Spouse/RDP _____			

**Filing Status** Fill in the circle for your filing status. See instructions, page 6.

Fill in only one.

1 ☒ Single

2 ☐ Married. RDP filing jointly (even if only one spouse/RDP had income)

4 ☐ Head of household. STOP! See instructions, page 6.

5 ☐ Qualifying widow(er) with dependent child. Year spouse/RDP died \_\_\_\_\_

If your California filing status is different from your federal filing status, fill in the circle here ..... ☐

**Exemptions**

6 If another person can claim you (or your spouse/RDP) as a dependent on his or her tax return, even if he or she chooses not to, you **must** see the instructions, page 6 ..... ☐ 6

7 Senior: If you (or your spouse/RDP) are 65 or older, enter 1; if both are 65 or older, enter 2 ..... ☐ 7

**Dependent Exemptions**

8 Number of dependents. Enter name and relationship (Do not include yourself or your spouse/RDP). .... ☐ 8

Taxable Income and Credits		Whole dollars only	
9 Total wage (federal Form W-2, box 16). See instructions, page 7	9	56597	00
10 Total interest income (Form 1099-INT, box 1). See instructions, page 7	10	1118	00
11 Total dividend income (Form 1099-DIV, box 1a). See instructions, page 7	11		00
12 Total pension income. Demand for judgment. See instructions, page 7, taxable amount	12	57715	00
13 Total capital gains distributions from mutual funds (Form 1099-DIV, box 2a). See instructions, page 7	13		00
14 Unemployment compensation	14		00
15 U.S. Social Security or railroad retirement benefits	15		00
16 Add line 9, line 10, line 11, line 12, and line 13. Do not include line 4 and line 15	16		00
17 Using the 2EZ Table for your filing status, enter the tax for the amount on line 16. <b>Caution:</b> If you filled in the circle on line 6, STOP. See instructions, page 7. Dependent Tax Worksheet.	17		00
18 Senior exemption: See instructions, page 7. If you are 65 and entered 1 in the box on line 7, enter \$100. If you entered 2 in the box on line 7, enter \$204	18		00
19 Nonrefundable renter's credit. See instructions, page 8	19		00
20 Credits. Add line 18 and line 19	20		00
21 Tax. Subtract line 20 from line 17. If zero or less, enter -0-	21		00

Enclose, but do not staple, any payment.

3111113

9

Your name Lam Your SSN or ITIN: [REDACTED]

Overpaid tax/Refund Due

21a Enter the amount from Side 1, line 21 0.00 21a 0.00

22 Total tax with hold (federal Form W-2, box 17 or Form 1099-R, box 10) 1,838.00 22 1,838.00

23 Overpaid tax. If line 22 is more than line 21a, subtract line 21a from line 22. 1,838.00 23 1,838.00

24 Tax due. If line 22 is less than line 21a, subtract line 22 from line 21a. See instructions, page 8. 0.00 24 0.00

Use Tax 25 Use tax. This is not a total line. See instructions, page 8. 0.00 25 0.00

**Voluntary Contributions:**

Code	Amount	Code	Amount
CA Seniors Special Fund. See page 11. 400	00	CA Peace Officer Memorial Foundation Fund 408	00
Alzheimer's Disease/Related Disorders Fund 401	00	CA Sea Otter Fund 410	00
CA Fund for Senior Citizens 402	00	Municipal Shelter Spay-Neuter Fund 412	00
Endangered Species Preservation Program 403	00	CA Cancer Research Fund 413	00
State Children's Trust Fund for the Prevention of Child Abuse 404	00	ALS/Lou Gehrig's Disease Research Fund 414	00
CA Breast Cancer Research Fund 405	00	Arts Council Fund 415	00
CA Firefighters' Memorial Fund 406	00	CA Police Activities League (CALPAL) Fund 416	00
Emergency Food For Families Fund 407	00	CA Veterans Homes Fund 417	00
		Safely Surrendered Baby Fund 418	00
		Child Victims of Human Trafficking Fund 419	00

26 Add amounts from code 400 through code 419. These are your total contributions. 0.00 26 0.00

**Amount You Owe**

27 **AMOUNT YOU OWE.** Add line 24, line 25, and line 26. If line 23 is less than line 25 and line 26, enter the difference here. See instructions, page 9 (**Do Not Send Cash**). Mail to: **FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001**. 0.00 27 0.00

**Direct Deposit (Refund Only)**

28 **REFUND OR NET AMOUNT DUE.** Subtract line 25 and line 26 from line 23. See instructions, page 9. Mail to: **FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0002**. 1,838.00 28 1,838.00

Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip. Have you verified the routing and account numbers? Use whole dollars only.

If all or the following amount of my refund (line 28) is authorized for direct deposit into the account shown below:

☐ Checking ☐ Savings

Routing number  Type  Account number  29 Direct deposit amount 0.00

The remaining amount of my refund (line 28) is authorized for direct deposit into the account shown below:

☐ Checking ☐ Savings

Routing number  Type  Account number  30 Direct deposit amount 0.00

Under penalty of perjury, I declare that, to the best of my knowledge and belief, the information on this return is true, correct, and complete.

**Sign Here**

Your signature X Spouse's/RDP's signature (if filing jointly, both must sign) X Daytime phone number (optional) (310) 953-5114

It is unlawful to forge a spouse's/RDP's signature. Date 4/12/2012

Joint return? ☐ See instructions, page 10

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge) [Signature] PTIN [PTIN]

Firm's name (or you, if self-employed) [Firm Name] FEIN [FEIN]

Firm's address [Address]

Do you want to allow another person to discuss this return with us (see page 10)? ☐ Yes ☐ No

Print Third Party Employee's Name [Name] Telephone Number [Number]





**IRS** Department of the Treasury  
Internal Revenue Service

1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

*Cause*

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,  
EVEN IF YOU ALSO HAVE AN INQUIRY.

*for*

*resal*

The IRS address must appear in the window.  
0469000192

BODOD-WI

Use for payments

Letter Number: LTR3176C  
Letter Date : 2012-08-08  
Tax Period : 201112



\*617750482\*

INTERNAL REVENUE SERVICE  
1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207



617750482 RB LAM 30 0 201112 670 000000000000





Department of the Treasury  
Internal Revenue Service  
1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

In reply refer to: 0469000192  
Aug. 08, 2012 LTR 3176C 0  
617-75-0482 201112 30  
Input Op: 0469059232 00029622  
BODC: WI

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

Taxpayer Identification Number: [REDACTED]  
Form: 1040  
Tax Period(s): Dec 31, 2011

Employee Identification Number: 1000199936 M/S 4450  
Contact Telephone Number: 866-833-0235  
Contact Fax Number: 801-620-2391

Dear Taxpayer:

You recently filed a return or purported return claiming one or more frivolous positions. If not immediately corrected, the Internal Revenue Service will assess a \$5,000 penalty against you. You can correct the problem and avoid the penalty if you submit a corrected return within 30 days of this letter to the address listed above.

If you continue to submit documents asserting frivolous positions, we will assess the \$5,000 penalty each time you submit a frivolous return. If you file a joint return, we will assess the \$5,000 penalty against both you and your spouse. Internal Revenue Code section 6702 provides the IRS with the authority to assess the penalty.

#### WHY WE ARE CONTACTING YOU

Based on Section 6702, Frivolous Tax Submissions, we have determined the information you filed as a tax return, or purported tax return, on Apr. 27, 2012 is frivolous and there is no basis in the law for your position.

Federal courts, including the Supreme Court of the United States, have considered positions such as yours and repeatedly rejected them as without merit. The enclosed Publication 2105, Why do I have to Pay Taxes?, includes examples of frivolous positions and arguments regarding the U.S. tax system under the heading "Don't Fall for These Arguments." Some of these examples include:

- Arguing that filing and paying taxes is voluntary.
- Excluding salaries and/or wages from income based on the argument that the value of services is not taxable or that salaries and/or wages are not income.
- Arguing that the requirement to file a tax return violates

Aug. 08, 2012 LTR 3176C 0  
201112 30  
Input Op: 0469059232 00029624

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

asserting a frivolous position, we will assess the \$5,000 penalty for each frivolous tax return or purported return containing a frivolous position and send you a bill. If you filed a joint frivolous return, both you and your spouse will be assessed a \$5,000 penalty. We will not respond to any future correspondence asserting any frivolous position.

In addition, if we do not hear from you within the 30 day timeframe, we may issue a notice of deficiency for any taxes owed because of the frivolous submission or because of other items we may find during an examination. A notice of deficiency states the amount of additional tax and penalties you owe and explains your right to contest the deficiency by filing a petition with the United States Tax Court. The \$5,000 frivolous filing penalty is not included on the notice of deficiency and cannot be contested in the Tax Court.

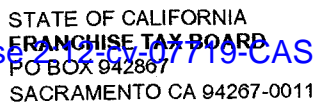
We have enclosed Publication 2105, Why Do I Have to Pay Taxes?, which provides basic information about the tax system. We also encourage you to seek advice from a competent tax professional or a tax attorney qualified to practice in your state.

Sincerely yours,

*Maureen Green*

Maureen Green  
Operations Mgr., Exam SC Support

Enclosure(s):  
Copy of this letter  
Publication 2105  
Envelope



081412111009++++++2131480295000000000000000000000000041709615

Account Number: 2131480295

☐ Check this box and indicate new address on reverse.

Tax Years:  
2011, 2010, 2009

DENISE S LAM  
622 S BROADWAY 5  
REDONDO BEACH CA 90277-4207

**Balance Due: \$4,170.96**

Pay By: 08/29/12

**Return this part with your payment ↑**

**Keep this part for your records ↓**

## Income Tax Due Notice

Notice Date: 08/14/12      Account Number: 2131480295

Our records show that you owe a balance due of \$4,170.96. The balance due includes all payments and credits applied to your account through July 23, 2012. See the balance summary listed below for details.

Pay online with Web Pay. Go to **ftb.ca.gov** and search for **payment options**. If you pay by check, write your account number on your check to assure we accurately credit your account. Mail your payment to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0011. If you meet the requirements of the Mandatory e-pay Program, **all payments, regardless of the tax year or amount must be made electronically**. Payments made by other means result in a penalty of 1 percent of the amount paid. For more information, go to **ftb.ca.gov** and search for **mandatory e-pay**.

**If you cannot pay the balance due**, you may be eligible to make monthly payments through our Installment Agreement Program. For more information, go to our website at [ftb.ca.gov](http://ftb.ca.gov) and search for **installment agreement**. To request an *Installment Agreement Request* (FTB 3567), call (800) 338-0505, follow the instructions to request forms then enter code 949.

**If you already paid the balance due or believe you do not owe this**, call us immediately with proof of payment, such as the number stamped on your canceled check. Call us at (800) 689-4776, (916) 845-7044, hearing impaired with TTY/TDD (800) 822-6268, or send a fax to (916) 845-5006.

No additional penalties accrue if we receive full payment within 15 days from the notice date. If the amount due is not received within 30 days from the date of this notice, a state tax lien may be filed against your property per Government Code Section 7171.

**BALANCE SUMMARY FOR ACCOUNT** **2131480295**

BALANCE SUMMARY FOR ACCOUNT 2151480200								
TAX YEAR	TAX AMOUNT	*PENALTY CODE **	*INTEREST	COLLECT *FEES	PAYMENTS	ADJUSTMENTS	TAX YEAR AMOUNT	
2011	\$2,559.00	\$75.92	BC	\$9.38	\$0.00	\$0.00	\$1,838.00	\$806.30
2010	\$5,726.00	\$283.80	B	\$106.04	\$68.00	\$200.00	\$3,466.00	\$2,517.84
2009	\$3,300.00	\$155.25	A	\$70.57	\$0.00	\$0.00	\$2,679.00	\$846.82
**OTHER LIABILITY CODES == >				OTHER LIABILITY AMOUNT == >				

**BALANCE DUE \$4,170.96**

\* Penalties, interest, fees, and your rights as a California taxpayer are explained on the enclosed insert FTB 1140.

\*\* Penalty and other liability codes are listed on FTB 4959.

ROBERT C. "BOB" BALINK El Paso County, CO  
 02/05/2007 10:50:49 AM  
 Doc. \$0.00 Page  
 Rec. \$6.00 1 of 1 207015932

§ 395

## TITLE 12—BANKS AND BANKING

Page 148

## ABOLITION OF HOME OWNERS' LOAN CORPORATION

For dissolution and abolishment of Home Owners' Loan Corporation, referred to in this section, by act June 30, 1953, ch. 170, § 21, 67 Stat. 126, see note set out under section 1463 of this title.

## § 395. Federal reserve banks as depositaries, custodians and fiscal agents for Commodity Credit Corporation

The Federal Reserve banks are authorized to act as depositaries, custodians, and fiscal agents for the Commodity Credit Corporation.

(July 16, 1943, ch. 241, § 3, 57 Stat. 566.)

## TRANSFER OF FUNCTIONS

Administration of program of Commodity Credit Corporation transferred to Secretary of Agriculture by Reorg. Plan No. 3 of 1946, § 501, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1100. See Appendix to Title 5, Government Organization and Employees.

## EXCEPTIONS FROM TRANSFER OF FUNCTIONS

Functions of Corporations of Department of Agriculture, boards of directors and officers of such corporations, Advisory Board of Commodity Credit Corporation, and Farm Credit Administration or any agency, officer or entity of, under, or subject to supervision of Administration were excepted from functions of officers, agencies, and employees transferred to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, § 1, eff. June 4, 1953, 18 F.R. 3219, 67 Stat. 633, set out in the Appendix to Title 5, Government Organization and Employees.

## SUBCHAPTER XII—FEDERAL RESERVE NOTES

## § 411. Issuance to reserve banks; nature of obligation; redemption

Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are authorized. The said notes shall be obligations of the United States and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

(Dec. 23, 1913, ch. 6, § 16 (par.), 38 Stat. 265; Jan. 30, 1934, ch. 6, § 2(b)(1), 48 Stat. 337; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704.)

## REFERENCES IN TEXT

Phrase "hereinafter set forth" is from section 16 of the Federal Reserve Act, act Dec. 23, 1913. Reference probably means as set forth in sections 17 et seq. of the Federal Reserve Act. For classification of these sections to the Code, see Tables.

## CODIFICATION

Section is comprised of first par. of section 16 of act Dec. 23, 1913. Pars. 2 to 4, 5, and 6, 7, 8 to 11, 13 and 14 of section 16, and pars. 15 to 18 of section 16 as added June 21, 1917, ch. 32, § 8, 40 Stat. 238, are classified to sections 412 to 414, 415, 416, 418 to 421, 360, 248-1, and 467, respectively, of this title.

Par. 12 of section 16, formerly classified to section 422 of this title, was repealed by act June 26, 1934, ch. 756, § 1, 48 Stat. 1225.

## AMENDMENTS

1934—Act Jan. 30, 1934, struck out from last sentence provision permitting redemption in gold.

## CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

## CROSS REFERENCES

Gold coinage discontinued, see section 5112 of Title 31, Money and Finance.

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 348, 420, 421, 467 of this title.

## § 412. Application for notes; collateral required

Any Federal Reserve bank may make application to the local Federal Reserve agent for such amount of the Federal Reserve notes hereinbefore provided for as it may require. Such application shall be accompanied with a tender to the local Federal Reserve agent of collateral in amount equal to the sum of the Federal Reserve notes thus applied for and issued pursuant to such application. The collateral security thus offered shall be notes, drafts, bills of exchange, or acceptances acquired under the provisions of sections 342 to 347, 347c, 347d, and 372 of this title, or bills of exchange endorsed by a member bank of any Federal Reserve district and purchased under the provisions of sections 348a and 353 to 359 of this title, or bankers' acceptances purchased under the provisions of said sections 348a and 353 to 359 of this title, or gold certificates, or Special Drawing Right certificates, or any obligations which are direct obligations of, or are fully guaranteed as to principal and interest by, the United States or any agency thereof, or assets that Federal Reserve banks may purchase or hold under sections 348a and 353 to 359 of this title. In no event shall such collateral security be less than the amount of Federal Reserve notes applied for. The Federal Reserve agent shall each day notify the Board of Governors of the Federal Reserve System of all issues and withdrawals of Federal Reserve notes to and by the Federal Reserve bank to which he is accredited. The said Board of Governors of the Federal Reserve System may at any time call upon a Federal Reserve bank for additional security to protect the Federal Reserve notes issued to it. Collateral shall not be required for Federal Reserve notes which are held in the vaults of Federal Reserve banks.

(Dec. 23, 1913, ch. 6, § 16 (par.), 38 Stat. 265; Sept. 7, 1916, ch. 461, 39 Stat. 754; June 21, 1917, ch. 32, § 7, 40 Stat. 236; Feb. 27, 1932, ch. 58, § 3, 47 Stat. 57; Feb. 3, 1933, ch. 34, 47 Stat. 794; Jan. 30, 1934, ch. 6, § 2(b)(2), 48 Stat. 338; Mar. 6, 1934, ch. 47, 48 Stat. 398; Aug. 23, 1935, ch. 614, title II, § 203(a), 49 Stat. 704; Mar. 1, 1937, ch. 20, 50 Stat. 23; June 30, 1939, ch. 256, 53 Stat. 991; June 30, 1941, ch. 264, 55 Stat. 395; May 25, 1943, ch. 102, 57 Stat. 85; June 12, 1945,



Office of County Clerk and Recorder  
El Paso County, State of Colorado  
Certified to be a full, true and Correct  
Copy of record in my Office.

207015432 Book . . . Page . . .  
Date 9:22:12

Wayne W. Williams  
County Clerk & Recorder  
El Paso County, Colorado

Michelle Thomson  
Deputy

[illegible]

Alcon number: 213-14802-95

☐ Check this box and indicate new address on reverse.

**Year 2011**

DENISE S LAM  
622 S BROADWAY #5  
REDONDO BEACH CA 90277-4207

Balance:	\$	6,134.12
Due Date:		05/25/12

**RETURN TOP PORTION WITH YOUR PAYMENT.**  
**KEEP** this part for your records.

NOTICE ID: 12-RGX35HF4DA

ACCOUNT NUMBER: 2131480295

## 2011 Tax Year Summary

We revised your California state income tax return for the 2011 tax year. To understand the revisions, compare the amounts on your tax return and supporting documents with this notice. Use the figures below to compare and update your records:

Taxable income	\$	111,661.00
Tax	\$	8,032.00
Exemptions	\$	-102.00
Total tax liability	\$	7,930.00
Withholding	\$	-1,838.00
Estimated tax penalty	\$	25.45
Interest & fees	\$	16.67
<b>Revised balance due</b>	<b>\$</b>	<b>6,134.12</b>

The balance for this tax year reflects all payments or credits applied to your account through 05/05/12.

**This notice does not include other tax year information.**

## Explanation of Revisions

We revised the amount of California adjusted gross income shown on your return.

We reduced your refund because of penalties, fees, and interest imposed on the tax year. We used information provided on your return, schedules, forms, and other attachments.

We revisited your total tax. The paragraphs below explain why:

**We revised your total tax based on your adjusted gross income, filing status, and the dependents shown on your return.**

**For Additional  
Information**

For more information regarding these revisions, go to our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov), search for: Notice Code, and select the following codes: AA 05 TY.

See the enclosed insert for more information about penalties, interest, and your rights as a California taxpayer.





Department of the Treasury  
Internal Revenue Service

1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,  
EVEN IF YOU ALSO HAVE AN INQUIRY.

The IRS address must appear in the window.

BODOD-WI

0469000192

Use for payments

Letter Number: LTR3176C  
Letter Date : 2012-08-08  
Tax Period : 201112



\*617750482\*

INTERNAL REVENUE SERVICE  
1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

617750482 RB LAM 30 0 201112 670 000000000000



IRS

Department of the Treasury  
Internal Revenue Service

Case 2:12-cv-00779-CAS-VBK Document 1 Filed 09/10/12 Page 22 of 31 Page ID #:22  
1973 N Rulon White Blvd M/S 4210  
Ogden UT 84404-0040

In reply refer to: 0469000192  
Aug. 08, 2012 LTR 3176C 0  
617-75-0482 201112 30  
Input Op: 0469059232 00029622  
BODC: WI

DENISE S LAM  
622 S BROADWAY ART 5  
REDONDO BEACH CA 90277-4207

Taxpayer Identification Number: [REDACTED]  
Form: 1040  
Tax Period(s): Dec 31, 2011

Employee Identification Number: 1000199936 M/S 4450  
Contact Telephone Number: 866-833-0235  
Contact Fax Number: 801-620-2391

Dear Taxpayer:

You recently filed a return or purported return claiming one or more frivolous positions. If not immediately corrected, the Internal Revenue Service will assess a \$5,000 penalty against you. You can correct the problem and avoid the penalty if you submit a corrected return within 30 days of this letter to the address listed above.

If you continue to submit documents asserting frivolous positions, we will assess the \$5,000 penalty each time you submit a frivolous return. If you file a joint return, we will assess the \$5,000 penalty against both you and your spouse. Internal Revenue Code section 6702 provides the IRS with the authority to assess the penalty.

#### WHY WE ARE CONTACTING YOU

Based on Section 6702, Frivolous Tax Submissions, we have determined the information you filed as a tax return, or purported tax return, on Apr. 27, 2012 is frivolous and there is no basis in the law for your position.

Federal courts, including the Supreme Court of the United States, have considered positions such as yours and repeatedly rejected them as without merit. The enclosed Publication 2105, Why do I have to Pay Taxes?, includes examples of frivolous positions and arguments regarding the U.S. tax system under the heading "Don't Fall for These Arguments." Some of these examples include:

- Arguing that filing and paying taxes is voluntary.
- Excluding salaries and/or wages from income based on the argument that the value of services is not taxable or that salaries and/or wages are not income.
- Arguing that the requirement to file a tax return violates

Aug. 08, 2012 LTR 3176C 0

201112 30

Input Op: 0469059232 00029623

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

Constitutional rights protecting taxpayers against self-incrimination.

- Submitting a claim [REDACTED] deductible credit when there is no basis in law for the credit, such as a credit for reparations for slavery, or frivolous Forms 2439, 1099, or 4136 (fuel tax credit), or showing excessive withholding on your return.
- Submitting a document that purports to be a tax return but is not properly signed or contains an altered jurat (the written declaration that verifies that a return, declaration, statement or other document is made under penalties of perjury).

These are just some examples. For more information on positions identified as frivolous under section 6702, see Notice 2010-33, 2010-17 I.R.B., April 26, 2010, pp. 609-12, which can be found on the Internal Revenue Service's website at [www.irs.gov](http://www.irs.gov) (See Notice 2010-33 at [http://www.irs.gov/irb/2010-17\\_IRB/ar13.html](http://www.irs.gov/irb/2010-17_IRB/ar13.html)). If you do not have a computer, you can access Notice 2010-33 in the Internal Revenue Bulletin (I.R.B.), which is the IRS's authoritative publication of rulings and statements of procedure. Consult a law library to obtain the I.R.B. You can find additional information in a publication titled The Truth About Frivolous Arguments, available on-line only at [http://www.irs.gov/pub/irs-soi/11-soi1/friv\\_tax.pdf](http://www.irs.gov/pub/irs-soi/11-soi1/friv_tax.pdf)

As stated above, we are proposing to assess a \$5,000 penalty against you for each frivolous tax return or purported tax return that you filed.

#### WHAT YOU NEED TO DO

To avoid the penalty, send us a corrected return for each taxable period in the heading of this letter within 30 days of the date of this letter. If you send us corrected returns, we will disregard the previous documents that you filed and not assess the frivolous tax return penalty for each corrected return filed.

Please attach this letter to your corrected return(s) and mail to the address shown at the top of this letter. We have enclosed a copy of this letter for your records and an envelope for your convenience.

#### WHAT IF YOU DO NOT SEND A CORRECTED RETURN?

If you do not file the corrected return(s) within 30 days of the date of this letter, or if you submit additional documents

Aug. 08, 2012 LTR 3176C 0  
[REDACTED] 201112 30  
Input Op: 0469059232 00029624

DENISE S LAM  
622 S BROADWAY APT 5  
REDONDO BEACH CA 90277-4207

asserting a frivolous position, we will assess the \$5,000 penalty for each frivolous tax return or purported return containing a frivolous position and send you a bill. If you filed a joint frivolous return, both you and your spouse will be assessed a \$5,000 penalty. We will not respond to any future correspondence asserting any frivolous position.

In addition, if we do not hear from you within the 30 day timeframe, we may issue a notice of deficiency for any taxes owed because of the frivolous submission or because of other items we may find during an examination. A notice of deficiency states the amount of additional tax and penalties you owe and explains your right to contest the deficiency by filing a petition with the United States Tax Court. The \$5,000 frivolous filing penalty is not included on the notice of deficiency and cannot be contested in the Tax Court.

We have enclosed Publication 2105, Why Do I Have to Pay Taxes?, which provides basic information about the tax system. We also encourage you to seek advice from a competent tax professional or a tax attorney qualified to practice in your state.

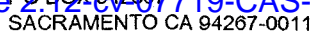
Sincerely yours,

*Maureen Green*

Maureen Green  
Operations Mgr., Exam SC Support

Enclosure(s):  
Copy of this letter  
Publication 2105  
Envelope

*Refusal*



17.

## Penalty and Other Liability Codes

California tax law authorizes the assessment of penalties for failure to meet the deadlines for filing tax returns, paying taxes, or furnishing information. The type of penalty or liability charged to your account is identified below.

### Tax Year Penalty Codes -

- A Failure to file a return by the due date \*
- B Failure to pay the tax shown on your return by the due date \*
- C Underpayment of estimated tax \*
- D Failure to file a return \*
- E Failure to make a reasonable attempt to obey the tax laws \*
- F Fraud/Delinquent return
- G Overstatement of property's value or its adjusted basis
- H Substantial understatement of tax liability
- I Miscellaneous penalty
- J Fraud penalty
- K Failure to furnish information
- L Failure to report unrealized gain on commodity straddles
- M Failure to file return or furnish information upon notice and demand
- N Failure to supply Schedule K-1
- O Accuracy-related penalty
- P Fraud/Accuracy-related penalty
- Q Taxpayer penalty
- R Combined penalties
- S Accuracy/Cross valuation misstatement
- T Reportable transaction understatement
- U Interest-based penalty
- V Noneconomic substance transaction understatement
- W 50 percent interest-based
- X Post Amnesty
- Y 40 percent accuracy
- Z Increased interest related to potentially abusive tax shelters

### Taxpayer Liability Codes -

These liabilities are penalties for:

- A Submitting false *Employee's Withhold Allowance Certificate*, federal form W-4
- B Submitting false *Employee's Withhold Allowance Certificate*, state form DE-4
- C A dishonored payment \*
- D Unmeritorious proceedings by a taxpayer
- E Promoting abusive tax shelters
- F Aiding/Abetting understatement of tax liability
- G Filing a frivolous return
- H Failure to file/furnish an information return
- I Failure to furnish information regarding tax shelters by a promoter
- J Failure to maintain records regarding tax shelters
- K Failure to meet original issue discount reporting requirements
- L Failure to report amounts paid as compensation for personal services
- M Failure to furnish information required to register tax shelters
- N Failure to provide reports on IRA/annuities
- O Understatement of taxpayer's tax liability by a tax preparer
- P Failure of tax preparer to furnish copy of return to taxpayer
- Q Tax preparer who endorses/negotiates a taxpayer's refund warrant
- R Failure to provide licensee information
- S Frivolous court proceeding
- T Failure to file complete, accurate, and timely withholding information return
- U Preparer penalty-understatement of taxpayer's liability
- V Promoter penalty
- W Frivolous return penalty
- X Failure to register or maintain investor list penalty
- Y Failure to disclose reportable and listed transaction penalty
- Z Frivolous submissions penalty
- 1 Failure to register as a tax preparer with the California Tax Education Council
- 2 Nonwage withholding penalty or liability
- 3 Erroneous direct deposit refund
- 4 Mandatory e-pay penalty (1 percent)
- 5 Court-ordered restitution
- 6 Cost of investigation/prosecution

\*The enclosed insert explains these penalties in more detail.



Robert C. Ballak, El Paso County, CO  
 12/18/2003 02:32  
 Doc \$0.00 Page  
 Rec \$20.00 1 of 4



STATE OF MINNESOTA

COUNTY OF SCOTT

IN JUSTICE COURT

TOWNSHIP OF CREDIT RIVER  
MARTIN V. MAHONEY, JUSTICE

First National Bank of Montgomery,

Plaintiff,

vs.

JUDGMENT AND DECREE

Jerome Daly,

Defendant.

The above entitled action came on before the Court and a Jury of 12 on December 7, 1968 at 10:00 A.M. Plaintiff appeared by its President Lawrence V. Morgan and was represented by its Counsel Theodore R. Mellby. Defendant appeared on his own behalf.

A Jury of Talesmen were called, impaneled and sworn to try the issues in this Case. Lawrence V. Morgan was the only witness called for Plaintiff and Defendant testified as the only witness in his own behalf.

Plaintiff brought this as a Common Law action for the recovery of the possession of Lot 19, Fairview Beach, Scott County, Minn. Plaintiff claimed title to the Real Property in question by foreclosure of a Note and Mortgage Deed dated May 8, 1964 which Plaintiff claimed was in default at the time foreclosure proceedings were started.

Defendant appeared and answered that the Plaintiff created the money and credit upon its own books by bookkeeping entry as the consideration for the Note and Mortgage of May 8, 1964 and alleged failure of consideration for the Mortgage Deed and alleged that the Sheriff's sale passed no title to Plaintiff.

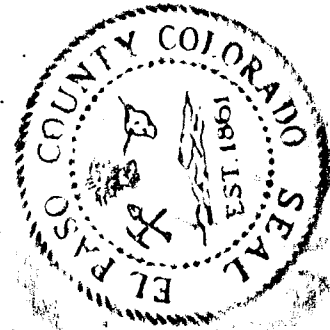
The issues tried to the Jury were whether there was a lawful consideration and whether Defendant had waived his rights to complain about the consideration having paid on the Note for almost 3 years.

Mr. Morgan admitted that all of the money or credit which was used as a consideration was created upon their books, that this was standard banking practice exercised by their bank in combination with the Federal Reserve Bank of Minneapolis, another private Bank, further that he knew of no United States Statute or Law that gave the Plaintiff the authority to do this. Plaintiff further claimed that Defendant by using the ledger book created credit and by paying

Office of County Clerk and Recorder  
 El Paso County, State of Colorado  
 Certified to be a full, true and Correct  
 Copy of record in my Office.

203290555 Book, Page  
 Date 12-23-12  
 Wayne W. Williams  
 County Clerk & Recorder  
 El Paso County, Colorado

By Michelle Thomson Deputy



STATE OF MINNESOTA, COUNTY OF SCOTT

12-23-12  
 Gregory M. Ellis  
 County Administrator

12-23-12 By Audreyk Brown

on the Note and Mortgage waived any right to complain about the Consideration and that Defendant was estopped from doing so.


At 12:15 on December 7, 1968 the Jury returned a unanimous verdict for the Defendant.

Now therefore, by virtue of the authority vested in me pursuant to the Declaration of Independence, the Northwest Ordinance of 1787, the Constitution of the United States and the Constitution and laws of the State of Minnesota not inconsistent therewith;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. That Plaintiff is not entitled to recover the possession of Lot 19, Fairview Beach, Scott County, Minnesota according to the Plat thereof on file in the Register of Deeds office.
2. That because of failure of a lawful consideration the Note and Mortgage dated May 8, 1964 are null and void.
3. That the Sheriff's sale of the above described premises held on June 26, 1967 is null and void, of no effect.
4. That Plaintiff has no right, title or interest in said premises or lien thereon, as is above described.
5. That any provision in the Minnesota Constitution and any Minnesota Statute limiting the Jurisdiction of this Court is repugnant to the Constitution of the United States and to the Bill of Rights of the Minnesota Constitution and is null and void and that this Court has Jurisdiction to render complete Justice in this Cause.
6. That Defendant is awarded costs in the sum of \$75.00 and execution is hereby issued therefore.
7. A 10 day stay is granted.
8. The following memorandum and any supplemental memorandum made and filed by this Court in support of this Judgment is hereby made a part hereof by reference.

Dated December 9, 1968

BY THE COURT  
  
MARTIN V. MAHONEY  
JUSTICE OF THE PEACE  
CREDIT RIVER TOWNSHIP  
SCOTT COUNTY, MINNESOTA

MEMORANDUM

The issues in this case were simple. There was no material dispute on the facts for the Jury to resolve.

Plaintiff admitted that it, in combination with the Federal Reserve Bank of Minneapolis, which are for all practical purposes, because of there interlocking activity and practices, and both being Banking Institutions Incorporated under the Laws of the United States, are in the Law to be treated as one and the same Bank, did create the entire \$14,000.00 in money or credit upon its own books by bookkeeping entry. That this was the Consideration used to support the Note dated May 8, 1964 and the Mortgage of the same date. The money and credit first came into existence when they created it. Mr. Morgan admitted that no United States Law or Statute existed which gave him the right to do this. A lawful consideration must exist and be tendered to support the Note. See Anheuser-Busch Brewing Co. v. Emma Mason, 44 Minn. 318, 46 N.W. 558. The Jury found there was no lawful consideration and I agree. Only God can create something of value out of nothing.

Even if Defendant could be charged with waiver or estoppel as a matter of Law this is no defense to the Plaintiff. The Law leaves wrongdoers where it finds them. See sections 50, 51 and 52 of Am Jur 2d "Actions" on page 584 - "no action will lie to recover on a claim based upon, or in any manner depending upon, a fraudulent, illegal, or immoral transaction or contract to which Plaintiff was a party.

Plaintiff's act of creating credit is not authorized by the Constitution and Laws of the United States, is unconstitutional and void, and is not a lawful consideration in the eyes of the Law to support any thing or upon which any lawful rights can be built.

Nothing in the Constitution of the United States limits the Jurisdiction of this Court, which is one of original Jurisdiction with right of trial by Jury guaranteed. This is a Common Law Action. Minnesota cannot limit or impair the power of this Court to render Complete Justice between the parties. Any provisions in the Constitution and laws of Minnesota which attempt to do so ~~are~~ repugnant to the

Constitution of the United States and ~~are~~ void. No question as to the Jurisdiction of this Court was raised by either party at the trial. Both parties were given complete liberty to submit any and all facts and law to the Jury, at least in so far as they saw fit.

No complaint was made by Plaintiff that Plaintiff did not receive a fair trial. From the admissions made by Mr. Morgan the path of duty was made direct and clear for the Jury. Their Verdict could not reasonably have been otherwise. Justice was rendered completely and without denial, promptly and without delay, freely and without purchase, conformable to the laws in this Court on December 7, 1968.

December 9, 1968

THE COURT

MARTIN J. NAHONEY  
JUSTICE OF THE PEACE  
CREDIT RIVER TOWNSHIP  
SCOTT COUNTY, MINNESOTA

Note: It has never been doubted that a Note given on a Consideration which is prohibited by law is void. It has been determined, independent of Acts of Congress, that sailing under the license of an enemy is illegal. The emission of Bills of Credit upon the books of these private Corporations, for the purposes of private gain is not warranted by the Constitution of the United States and is unlawful. See Craig v. Mo. 4 Peters Reports 912. This Court can tread only that path which is marked out by duty. M.V.M.

# CASH OUT TICKET TELLER 4

Teller Stamp:	\$100	300	\$1.00
	50	50	0.50
	20		0.25
	10		0.10
	5		0.05
	2		0.01
	1		
<b>TOTAL:</b>		350	<b>TOTAL:</b>

CTB  
TORRANCE BR.  
JUN 06 '12  
HJ  
#4

Chk Wdr 350.00

06/07/2012 02:05:12 PM  
0000 01 0804 1/27  
10 - 10000

00029644

0804 501000004 1000110008 600

**Chinatrust Bank (U.S.A.)** DATE: 6/7/2012

**WITHDRAWAL / DEBIT ACCOUNT**

☒ CASH \$ 350

☐ PURCHASE CASHIER'S CHECK \$

PAYABLE TO:

☐ TRANSFER TO ACCOUNT \$

CREDIT TO (ACCOUNT NO.)

FEE \$

**TOTAL WITHDRAWAL:** \$

**LEGAL AMOUNT:** \$

☒ DDA ☐ MMA ☐ SAVINGS

**DEPOSIT:**

CURRENCY:	\$
COIN	\$
CHECKS (REVERSE FOR MORE LISTING)	\$
TOTAL FROM REVERSE SIDE	\$
<b>SUBTOTAL:</b>	\$
<b>LESS CASH</b>	\$
<b>TOTAL DEPOSIT:</b>	\$

I HEREBY AUTHORIZED THIS TRANSACTION AND ALL ITEMS ARE SUBJECT TO THE DEPOSITORY BANK'S REGULATION RELATING TO DEPOSIT AND WITHDRAWALS.

BANK USE ONLY: ☐ OFAC SEARCH

CUSTOMER NAME: Denise Elizabeth

SIGNATURE: Denise Elizabeth

ACCOUNT NUMBER: [REDACTED] AMOUNT: 350.00

5500 2000

Received cash as follows:

- \$100 HB 20429476 C
- \$100 HF 66050837 E
- \$100 HL 67256085 D
- \$50 AR 34081244 A

